

Message Text

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44

ACTION XMB-04

INFO OCT-01 AF-08 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 /053 W

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R 021155Z SEP 76

FM AMEMBASSY LIBREVILLE

TO SECSTATE WASHDC 8251

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DEPT PASS EXIMBANK

E.O. 11652: NA

TAGS: EGEN GB

SUBJECT: EXIM CREDIT FOR GOG AIRCRAFT PURCHASE : CREDIT 6151-

GABON

REF: STATE 210300

1. SUMMARY. EMBOFF HAD LENGTHY MEETING SEPTEMBER 1 WITH FINANCE MINISTRY ADVISER (CASALTA) RE CREDIT AGREEMENT. REMAINING PROBLEM IS TWOFOLD: STYLISTIC, WITH CASALTA PREFERRING USE FORMAT OF AGREEMENT FOR FIRST LOCKHEED; AND SUBSTANTIVE, WITH CASALTA OBJECTING TO MANAGEMENT FEES FOR CUB. END SUMMARY.

2. IN ESSENCE, CASALTAS DRAFT FRENCH VERSION MADE FEW SUBSTANTIVE CHANGES TO AGREEMENT BUT RATHER GOES BACK TO FORMAT OF CREDIT 5013(AGREEMENT ON INITIAL LOCKHEED). MAJORITY OF LANGUAGE CHANGES AND REFINEMENTS WERE TAKEN DIRECTLY FROM FRENCH VERSION OF CREDIT 5013. IN SOME CASES, PARAGRAPHS WERE SHIFTED FROM ONE ARTICLE TO ANOTHER; IN OTHER CASES, PARAGRAPHS ADDED WERE TAKEN DIRECTLY FROM 5013 CREDIT, E.G., MENTION OF US INCOME TAX. WHERE NEW REQUIREMENTS IMPOSED BY EXIM DRAFT FOR CREDIT 6151 AND INADVERTENTLY ADMITTED BY CASALTA FROM HIS REVISION, HE IS PREPARED REINSTATE THESE EXCEPT AS NOTED

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IN PARA 3 BELOW. CASALTA FULLY UNDERSTANDS THAT ENGLISH

VERSION IS OPERATIVE AGREEMENT, AND HIS OBJECTIVE IN LANGUAGE AND ORGANIZATIONAL CHANGES WAS MERELY TO SIMPLIFY PROCDDURES FOR THOSE IN MINISTRY WHO WOULD BE WORKING WITH AGREEMENT BY PUTTING IT IN FORMAT ALREADY FAMILIAR TO THEM. CASALTA POINTED OUT THAT NO RPT NO WORKING LEVEL OFFICIALS IN MINISTRY HAVE ANY KNOWLEGE OF ENGLISH.

3. ONLY SUBSTANTIVE ISSUE ON WHICH CASALTA WAS ADAMANT WAS PARA J, ARTICLE II, MANAGEMENT FEES, WHICH CASALTA SAID MUST BE TAKEN OUT. HE ALSO SAID HE WOULD PREFER THAT EXIMBANK ACT AS AGENT FOR LENDERS, BUT APPEARED PREPARED TO ACCEPT COMMERCE UNION BANK (CUB) IN THIS ROLE. EMBOFF AGREED TO QURY EXIM ON THESE POINTS ON CASALTAS BEHALF.

4. COMMENT: ON STYLISTIC QUESTIONS, WOULD HOPE EXIMBANK CAN ACCEPT AT LEASE SOME OF CASALTAS SUGGESTIONS BY RETURNING TO FORM OF 5013 CREDIT, BUT DO NOT BELIEVE CASALTA WILL INSIST IF (AS WE SUSPECT) CONCISERABLE DELAY WOULD INEVITABLY ENSUE. ON SUBSTANTIVE POINTS IN PARA 3 ABOVE (MANAGEMENT FEES AND DESIGNATION OF CUB AS AGENT), IF THESE ARE NON-NEGOTIABLE, WE BELIEVE CASALATA WILL ACCEPT THAT FACT IF CONFIMRED BY EXIM THROUGH EMBASSY. HOWEVER, EMBASSY IS UNCOMFORTABLE WITH POSITION IN WHICH WE ARE PLACED ON MANAGEMENT FEE ISSUE WHERE WE ARE ASKED TO OBTAIN GOG AGREEMENT IN INTER-GOVERNMENTAL DOCUMENT TO FEES CLAIMED BY PRIVATE US BANK. IF THIS IS COMMON PRACTICE IN EXIM BANK AGREEMENTS, PLEASE CITE PRECEDENTS WE CAN USE WITH CASALTA.

5. EMBASSY ALSO REGRETS CONFUSION ON LANGUAGE ISSUE AND WAS UNAWARE THAT EXIM DID NOT HAVE IN HOUSE FRECNCH LANGUAGE CAPABILITY.

6. ACTION REQUESTED: PLEASE ADVISE (A) WHETHER EXIM BANK WILLING ACCEP STYLISTIC AND ORGANIZATIONAL CHANGES ALONG LINES OF CASALTAS REVISIONS TO BRING 6151 CREDIT MORE IN LINE WITH 5013 CREDIT; AND (B) WHETHER MANAGEMENT FEE ISSUE AND DESIGNATION OF CUB AS AGENT ARE NEGOTIABLE. WITH CASALTA CURRENTLY AWAY ON TWO WEEK MISSION ABROAD, LIMITED OFFICIAL USE

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WOULD APPRECIATE REPLIES BY SEPTEMBER 10 SO WE CAN TAKE UP AGREEMENT WITH HIM ON HIS RETURN. STEIGMAN

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Message Attributes

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Draft Date: 02 SEP 1976
Decaption Date: 01 JAN 1960
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cahillha
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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